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UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman; Nanci E. Langley, Vice Chairman; Mark Acton; and Tony Hammond

Rate Adjustment Due to Extraordinary or Exceptional Circumstances

Docket No. R2013-11

SECOND ORDER ON SURCHARGE REVENUE REPORTING

(Issued January 15, 2016)

On January 12, 2015, the Commission issued Order No. 2319, which established reporting requirements for the Postal Service beginning in the quarter when the Postal Service will meet the revenue limit. In that order, the Commission directed the Postal Service to notice the removal of the exigent surcharge at least 45 days before the removal and "provide bi-weekly estimates of the incremental and cumulative surcharge revenue beginning the quarter in which the Postal Service anticipates removing the surcharge." *Id.* at 15. The purpose of these quarterly bi-weekly reports is to provide mailers with transparency during the exigent recovery period. *See* Order No. 2075² at 10; *see also* Order No. 2319 at 7. Such transparency is particularly essential in this

¹ Order on Exigent Surcharge Removal, January 12, 2015 (Order No. 2319).

² Order Denying Stay and Establishing Schedule for Reporting Requirements, May 2, 2014 (Order No. 2075).

matter because there are no procedures to recover any excess or unapproved revenue, and, therefore, careful monitoring of the rate of the Postal Service's collection is warranted to ensure the amount collected is as close as practicable to the amount authorized.

At the time Order No. 2319 was issued, the Commission anticipated that receipt of the bi-weekly estimates would commence within the second quarter of the year, which would allow the Commission and mailers to examine several bi-weekly reports before the Postal Service would be required to submit its 45-day notice of the removal of the exigent surcharge. However, it appears that the collection of the full amount of the exigent surcharge may not occur until the beginning of the third quarter. Reports commencing shortly before the removal would be insufficient to provide the degree of transparency originally intended in Order No. 2319. Therefore, the Commission is clarifying Order No. 2319 to require the Postal Service to commence providing bi-weekly estimates of incremental and cumulative surcharge revenue on February 1, 2016. This should not impose a significant burden on the Postal Service, will aid in ensuring the amount of revenue collected is as close as practicable to the amount authorized, and will provide the high degree of transparency to mailers as originally intended by the Commission.

It is ordered:

- The Postal Service shall notice the removal of the exigent surcharge at least
 45 days before the date of the removal.
- 2. The Postal Service shall commence filing its bi-weekly estimates of incremental and cumulative surcharge revenue, as required by Order No. 2319, on February 1, 2016.

By the Commission.

Ruth Ann Abrams Acting Secretary